Families for Addiction Recovery

Financial Statements
(unaudited)

March 31, 2018

Chaplin & co
CHARTERED ACCOUNTANTS

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July 30, 2018

Independent Practitioner's Review Engagement Report

To the members of Families for Addiction Recovery:

We have reviewed the accompanying financial statements of Families for Addiction Recovery that comprise the balance sheet as at March 31, 2018, and the statements of revenue and expenses and net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's responsibility
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Families for Addiction Recovery as at March 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for non-for-profit organizations.

Chaplin & Co.

Chartered Accountants
Licensed Public Accountants

Roger Chaplin CPA, CA LPA MA [Oxon] Gail Bergman CPA, CA LPA B Comm

Chaplin & Co Chartered Accountants • 1110 Finch Avenue West Suite 710 Toronto Ontario M3J 2T2
Telephone 416 667 7060 Facsimile 416 663 3746 *e* ca@chaplinco.com www.chaplinco.com

Balance Sheet
(unaudited)

	March 31 2018	March 31 2017
Assets		
Current		
Cash	$ 84,177	$ 52,879
GCI, 1.4%, due April 19, 2018	3,061	-
Accounts receivable	200	-
GST/HST recoverable	4,680	2,330
Prepaid research expenses	5,500	5,500
Prepaid expenses	1,908	132
	99,526	60,841
GIC, 1.4%, due April 19, 2018	-	3,000
	$ 99,526	$ 63,841
Liabilities		
Current		
Accounts payable and accrued liabilities	$ 3,786	$ 1,325
Net assets	95,740	62,516
	$ 99,526	$ 63,841

See accompanying notes

Approved on behalf of the Board of Directors of Families for Addiction Recovery:

Peter McCarter, Chairman

Angie Hamilton, Executive Director

Families for Addiction Recovery

Statement of Revenue and Expenses and Net Assets
(unaudited)

	Year ended March 31 2018	Period from May 4, 2016 (date of incorporation) to March 31 2017
Donations		
Corporations	$ 7,000	$ 10,750
Foundations	40,000	61,000
Individuals	26,155	26,645
	73,155	98,395
Honoraria	200	-
Interest income	61	-
	73,416	98,395
Expenses		
Program		
Education and awareness	17,550	8,596
Parent to Parent peer support program	3,155	3,578
Research	4,216	103
	24,921	12,277
Non-program		
Administration	3,905	3,539
Professional development	3,639	3,052
Professional fees	7,727	1,039
Write-off of incorporation and charitable registration costs	-	15,972
	15,271	23,602
Total expenses	40,192	35,879
Excess of revenue over expenses and net assets	33,224	62,516
Net assets, beginning of period	62,516	-
Net assets, end of period	$ 95,740	$ 62,516

See accompanying notes

Families for Addiction Recovery

Statement of Cash Flows
March 31, 2018
(unaudited)

	Year ended March 31 2018	Period from May 4, 2016 (date of incorporation) to March 31 2017
Cash provided by (used in)		
Operations		
Excess of revenue over expenses for the period	$ 33,224	$ 62,516
Change in non-cash working capital		
Accounts receivable	(200)	-
Prepaid research expenses	-	(5,500)
GST/HST recoverable	(2,350)	(2,330)
Prepaid expenses	(1,776)	(132)
Accounts payable and accrued liabilities	2,461	1,325
	31,359	55,879
Investing		
Purchase of GIC	(61)	(3,000)
Net change in cash during year period and cash, end period	31,298	52,879
Cash, beginning of period	52,879	-
Cash, end of period	$ 84,177	$ 52,879

See accompanying notes

Families for Addiction Recovery, which was incorporated under Canada Not-for-profit Corporations Act on May 4, 2016, supports families affected by substance use disorder and protects persons, particularly youth, struggling with this disorder.

The Organization is exempt from income taxes as a registered charity under the Income Tax Act.

1. Summary of significant accounting policies

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Financial instruments

The Organization initially measures its financial assets (including cash and accounts receivable) and financial liabilities (including accounts payable and accrued liabilities) at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

Revenue recognition

The Organization follows the deferral method of accounting for contributions, which include donations and government grants, as follows:

Donations are recorded on a cash collected basis.

Donations in-kind are recorded at estimated fair market value. There were no donations in-kind during the current period.

Corporate and foundation contributions and government grants ("funding") are recognized as receivable when a written confirmation of the funding is received. Unrestricted fundraising is recorded as revenue when received. Funding related to specified projects is recognized as revenue in the year in which the related expenses are incurred. Funding received that relates to future periods is deferred and recognized as revenue in the period that the expense is incurred.

Board committee members and other members of the public donate their labour in support of the Organization. Measuring the fair value of these donated services is subject to uncertainty and therefore are not recognized in these financial statements.

Use of estimates

The preparation of the Organization's financial statements in accordance with Canadian standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenue and expenses during the year. Actual results could differ from those estimates, the impact of which would be recorded in future periods.

2. Financial instruments

Credit risk
Credit risk is the risk that the counterpart to a financial instrument will fail to discharge an obligation that is entered into with the Organization.

Liquidity risk
Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as the come due.

Interest rate risk
Interest rate risk arises from the possibility that changes in interest rates will affect the fair value of financial instruments.

Currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes to foreign currencies.

Other price risk
Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those arising from interest rate risk or currency risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in a market.

It is management's opinion that the Organization is not exposed to significant risk arising from its financial instruments.